



AMENDED MEETING MINUTES

**CITY OF SCOTTSDALE HOUSING BOARD
REGULAR MEETING
ONE CIVIC CENTER
3RD FLOOR CONFERENCE ROOM
7447 EAST INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
NOVEMBER 8, 2005**

PRESENT: Del-Monte Edwards, Chairman (arrived at 5:30 p.m.)
Joe Priniski, Vice-Chairman
George Leonard, Board Member
Gary Morgan, Board Member
Michele Swinick, Board Member

ABSENT: Sheldon Sigismund, Board Member
George Sutherland, Board Member

STAFF PRESENT: Judy Register

1. **CALL TO ORDER/ROLL CALL**

The regular meeting of the Scottsdale Housing Board was called to order by Vice-Chairman Priniski at 5:04 p.m. A formal roll call confirmed the members present as stated above.

2. **REVIEW AND APPROVAL OF PREVIOUS MINUTES**

October 11, 2005 Housing Board Meeting

BOARD MEMBER LEONARD MOVED FOR APPROVAL OF THE OCTOBER 11, 2005 HOUSING BOARD MEETING MINUTES. BOARD MEMBER MORGAN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF 4 (FOUR) TO 0 (ZERO).

October 27, 2005 Housing Board Special Meeting

Judy Register requested that her organization be changed to Citizen & Neighborhood Resources and that Raun Keagy be listed separately as Neighborhood Services Director on pages 1 & 2. She also pointed out that Frank Gray's title should be changed to General Manager of Planning & Development Services on pages 1 & 5. Board Member Leonard clarified that on page 5 paragraph 8 Lakewood should be one word.

BOARD MEMBER LEONARD MOVED FOR APPROVAL OF THE OCTOBER 27, 2005 HOUSING BOARD SPECIAL MEETING MINUTES. BOARD MEMBER MORGAN SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF 4 (FOUR) TO 0 (ZERO).

3. **VOTE ON LOCATION FOR HOUSING BOARD**

As previously discussed by Housing Board Members at the October 27, 2005 Special Meeting,

BOARD MEMBER MORGAN MOVED THAT THE HOUSING BOARD REMAIN WITH THE CITIZEN AND NEIGHBORHOOD RESOURCES DEPT. BOARD MEMBER LEONARD SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF 4 (FOUR) TO 0 (ZERO).

4. **FACILITATE DIALOGUE TO FINALIZE CONDO CONVERSION TIMELINE AND FOLLOW-UP FROM HOUSING BOARD RETREAT**

Judy Register implemented a facilitation process to assist the Housing Board in compiling ideas and organizing the ideas into a defined plan of action. She suggested that the Board think of concise ideas that would clearly demonstrate a model concept to successfully regulate or guide condo conversions in Scottsdale. Ms. Register pointed out the need for a clear and understandable concept in order to obtain approval by City Council. She requested that each Board Member write out at least three clear ideas (one per card) consisting of no more than six words.

Ms. Register identified an important question: ***"What regulations and programs would the Board like to have in place five years from now?"*** She suggested ideas that relate to regulations, property owners considering condo conversion, renters' recourse if successful, and a model program to promote affordable housing that inspires other Cities. Ms. Register recalled that Frank Gray provided numerous suggestions at the Special Meeting, as recorded on page 6 of the October 27, 2005 Minutes and highlighted: constructing firewalls between units; changes in laws relating to condo conversions; creating a house trust fund; and co-op housing.

Board Member Morgan opined that the Special Meeting conclusions related more to affordable housing than condo conversion, pointing out that Ms. Register's suggestions lean more towards affordability issues. Ms. Register and Board Member Swinick further discussed that some of the ideas will overlap and go beyond affordability.

Board Member Morgan commented that in performing the requested exercise of compiling ideas, Board Members would be repeating preparation of the Board's Subcommittee Report regarding condo conversions. Ms. Register agreed that the report's information is pertinent in this facilitation.

Utilizing a sticky board, Ms. Register posted the following written ideas prepared by Housing Board Members to develop a Condo Conversion Program Timeline:

Chairman Edwards: 1) title insurance; property insurance (renter vs. HOA); and 2) property control (1 vote vs. investor).

Vice-Chairman Prinski: 1) safety sprinklers/fire standards; 2) association fees affordable for workforce; and 3) funding resources so as not to displace people (to be able to purchase).

Board Member Leonard: 1) conversion database; 2) health & safety standards; and 3) conversion of building code standards.

Board Member Morgan: 1) compatibility with current architectural design standards; 2) appropriate mix of housing types including reasonably priced housing; and 3) condo conversion database.

Board Member Swinick: 1) code enforcement for new homeowners (1 owner per apartment); 2) building code upgrades minimal requirements/firewalls; and 3) assign a condo conversion liaison (tenant to city to owner).

Board Member Morgan requested clarification of the code enforcement concept. Discussion ensued, clarifying that a condominium complex must have an HOA and there should be rules established to streamline communication between the City, HOAs, and homeowners.

Chairman Edwards identified title insurance issues and indicated that he has invited industry experts to upcoming meetings to discuss the current issues.

Ms. Register inquired as to how property insurance works in the condo conversion process. Discussion followed clarifying that an HOA covers the exterior only and the responsibility of contents is covered under separate insurance. Further discussion identified that the Condo Conversion Program could require the builder to provide information packets educating homeowners regarding insurance guidelines.

Discussion ensued about investors using sophisticated methods to raise rents by turning apartments back into rentals. Highlights of the discussion included points about financing, investor restrictions and/or requirements, property rights, funding provisions for deferred and ongoing maintenance, bank risks, and individual owners. Board Members agreed that a deed restriction, that stays with the property when sold, would alleviate some of these issues.

Board Member Swinick pointed out the need for a database regarding condo conversions, including out-of-state owners. Upon further discussion, Board

Members agreed that an existing Department of Real Estate conversion database would be an excellent starting point and that highlights of the Subcommittee Report on Condo Conversion should be included. Vice-Chairman Priniski recommended that Molly Edwards research and gather information regarding the database for the next meeting, at which time the Board can organize it for implementation and assign a liaison to oversee the database, along with its continual updates.

Ms. Register and Housing Board Members reviewed and discussed the newly written ideas. Upon selection of five top categories, the concepts were then prioritized according to similarity and importance. Discussion ensued to identify "hot topics" as well realistic dates for implementing these ideas. The discussion resulted in the following Condo Conversion Timeline:

1ST DRAFT

CITY OF SCOTTSDALE HOUSING BOARD'S CONDO CONVERSION PROGRAM TIMELINE

April 2006				February 2006	
#1 Hot Topic MIXED HOUSING	INSURANCE	#2 Hot Topic CODE STANDARDS	OWNERSHIP ISSUES	Ongoing CONVERSION DATABASE	LEGAL
Appropriate mix of housing types (including affordable priced housing).	Title insurance.	Health/safety Standards.	Code enforcement for new homeowners (vs. 1 owner apts.)	Database.	Changes to current law.
Funding resources so as not to displace people.	Property insurance. (renter vs. HOA)	Conversion building code standards.	Property control. (1 vote vs. investor)	Conversion database.	
Association fees affordable for workforce inclusionary zoning.		Building code upgrades/minima requirements.	Capital Improvements (future needs) funding pro forma.	Assign a condo conversion liaison (tenant to city to owner).	
Trust fund for affordable housing from conversion fees.		Safety sprinklers/ fire standards.			
Assign a condo conversion liaison (tenant to city to owner).		Compatibility with current architectural design.			

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Board Member Morgan inquired about City Council requirements. Ms. Register explained that meticulous preparation and a knowledgeable presentation would assist in approval and/or acceptance of the white paper submission.

5. **CHAIRPERSON'S REPORT**

Chairman Edwards noted that an Affordable Housing Breakfast Conference will occur on November 17, 2005 and suggested Housing Board attendance.

Board Member Leonard noted that he will be attending a meeting in Scottsdale on November 10, 2005 which will also be attended by Michael Pytuk. Ms. Register reported that she and Ed Gawf will also be attending to speak about revitalization projects occurring in south Scottsdale.

6. **STAFF REPORT**

None

7. **FUTURE AGENDA ITEMS**

Board Member Morgan requested that Molly Edwards invite Habitat for Humanity to a future meeting. Discussion followed regarding the possible insight the organization could provide on affordable housing.

8. **OPEN CALL TO THE PUBLIC** (A.R.S. § 38-431.02)

No members of the public wished to address the Board.

9. **ADJOURNMENT**

With no further business to discuss, being duly sworn and seconded, the meeting adjourned at 6:42 p.m.

Respectfully submitted,
A/V Tronics, Inc.